Department of State TELEGRAM

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ACTION E-11

INFO OCT-01 AF-08 EUR-20 INT-06 OER-01 AID-20 NSC-10
RSC-01 CIEP-01 SAL-02 SS-14 STR-08 OMB-01 CIAE-00
COM-08 FRB-02 INR-06 NSAE-00 TRSE-00 XMB-06 OPIC-12
DODE-00 PM-06 H-02 L-03 P-03 PRS-01 USIA-12 CEA-02
SA-03 RSR-01 /171 W

R 201430Z DEC 71
FM AMEMBASSY BENGHAZI
TO SECSTATE WASHDC 0722
INFO AMEMBASSY LONDON
AMEMBASSY TRIPOLI

C O N F I D E N T I A L BENGHAZI 0494

SUBJECT: NATIONALIZATION OF BP

REF: (A) TRIPOLI 2308; (B) BENGHAZI 483

FROM MACK

1. BP HAS KEPT SMALL REMNANT OF PRODUCTION PERSONNEL IN FIELD AFTER ITS "DEADLINE" OF DECEMBER 19. HOWEVER, IT HAS FIRM SCHEDULE TO SEND THEM ALL HOME BY END OF MONTH. THERE IS POSSIBILITY THAT SMALL EXECUTIVE STAFF (MAXIMUM OF 6) WILL STAY ON TO MANAGE RESIDUAL MATTERS. LARG HAS POSED NO RESTRICTIONS ON DEPARTURE OF EXPATRIATE PERSONNEL, AND BRITISH EMBASSY ACKNOWLEGES THAT DECISION TO POSTPONE IMMEDIATE AND TOTAL PULLOUT WAS TAKEN BY BP.

2. FOLLOWING NATIONALIZTION OF BP SHARE IN CONCESSION 65, BP HAS RELINQUISHED ALL OF ITS CONCESSIONS EXCEPT 80 AND 81. WE UNDERSTAND THAT EXPLORATION HAS INDICATED THOSE CONCESSIONS HAVE COMMERCIAL POTENTIAL, BUT WE DO NOT KNOW WHETHER THIS IS FULL RATIONALE FOR BP DECISION TO RETAIN CONCESSIONS.

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY cf DATE 6/16/76
RDS☐or XDS☐EXT. DATE
TS AUTH. REASON(S)
ENDORSE EXISTING MARKINGS ☐
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3. BENGHAZI CONTINUES TO BUZZ WITH RUMORS THAT AGEC SECURING TECHNICAL ASSISTANCE FROM ONE SOURCE OR ANOTHER. ONLY FIRM STORY, HOWEVER, IS THAT INTERNATIONAL AIRADIO, LTD. (IAL) IS LIKELY TO OPERATE AGEC'S COMMO FACILITIES IN BENGHAZI, TOBRUK AND SARIR ON CONTRACT BASIS. (IAL IS BRITISH FIRM WHICH ALREADY PROVIDES COMMO TO SOME PRIVATE COMPANIES WORKING IN CYRENAICA.)

4. PRODUCTION AT SARIR IS STILL IN RANGE OF 220-240 THOUSAND BARRELS PER DAY OR ROUGHLY EQUAL TO HUNT'S ALLOWABLE. HUNT REPS SAY THAT EXISTING PERSONNEL AT SARIR WILL DO WELL TO MAINTAIN THAT LEVEL.
PALMER

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